Davis-Besse Nuclear Power Station

IMC 0350 Meeting

Desired Outcomes

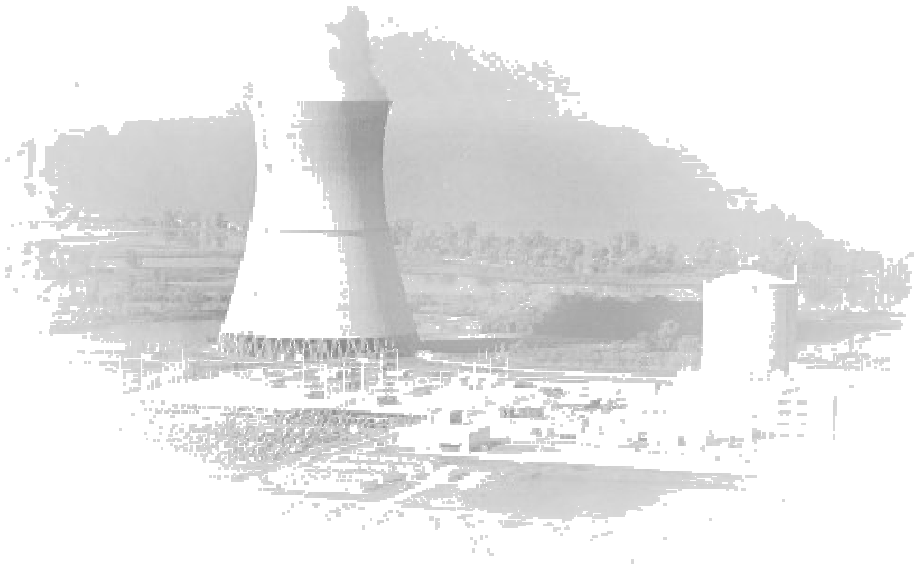
- Demonstrate Davis-Besse's operations continue to be safe and conservative
- Provide an overview of performance
- Status the Improvement Initiatives and Confirmatory Order

Mark Bezilla
Vice President

Meeting Agenda

- Plant Performance…… Barry Allen
- Improvement Initiatives, Performance Monitoring, and Independent Assessments ……..Clark Price
  Barry Allen
  Jim Powers
- Site Assessments ……Mark Bezilla
- Oversight Perspective……..……Steve Loehlein

Plant Performance



Barry Allen
Plant Manager

People with a strong safety focus delivering top fleet operating performance

- Plant Status
  - ~100% power
  - 925 Mwe
  - 46 continuous days of service
  - 56 Human Performance success days

Plant Performance

#1 Circulating Water Pump Motor

- Highlights
  - Hosted Company Nuclear Review Board (CNRB)
  - Conducted first "monthly safety culture assessment"
  - "Mock" INPO accreditation team visit
  - Conducted first monthly performance review meetings
  - #1 Circulating Water Pump Motor

Plant Performance

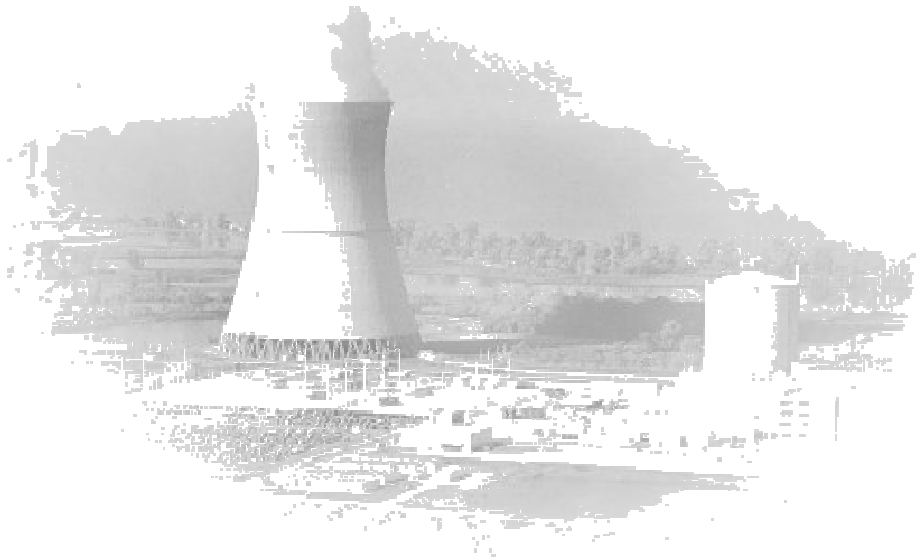
FENOC Satellite Broadcast

- Highlights
  - INPO Evaluation and Assessment
  - Approved the Maintenance Backlog Reduction Plan
  - "Teamwork, Ownership and Pride" (TOP) team meeting
  - Turbine Valve Testing
  - 8-Hour NRC Notification
  - NRC Initial License Examinations

Conclusion

- Davis-Besse's operations continue to be safe and conservative

Improvement Initiatives, Performance Monitoring, and Independent Assessments



Clark Price

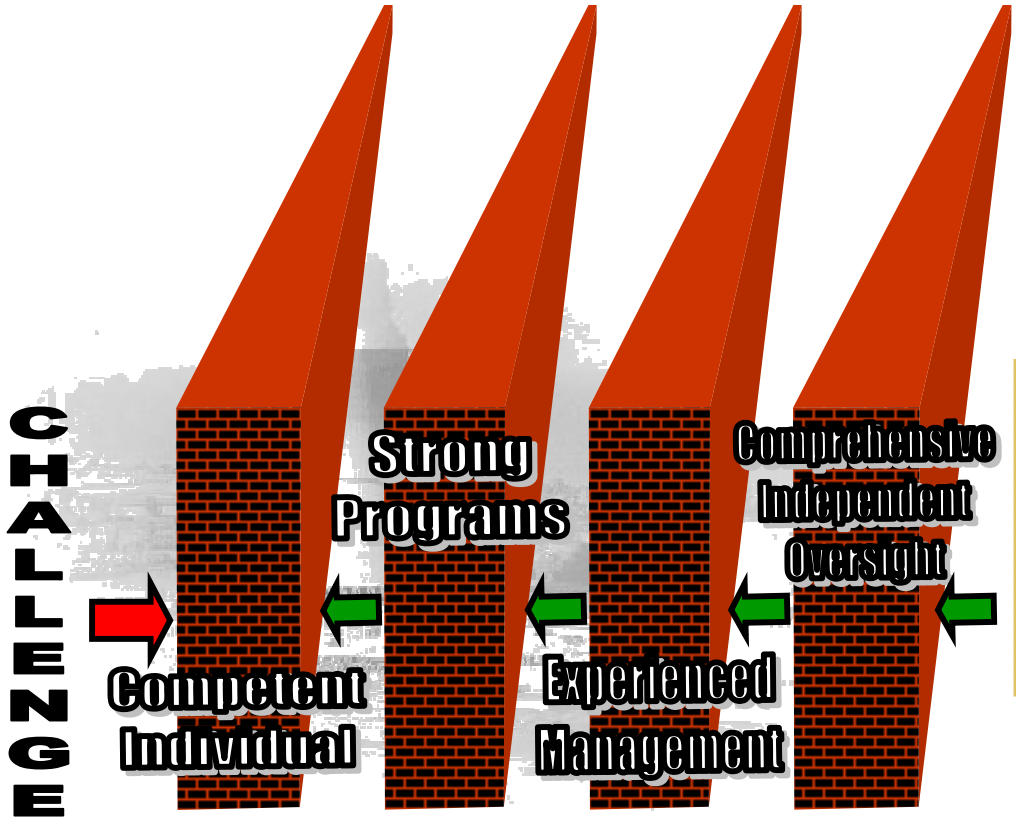
Manager - Business Services

Actions for Continuous Improvement

- Integrated Restart Report dated November 23, 2003 & Supplement to report dated February 6, 2004
  - –Appendix A Commitments 38
  - –Closed to date 19
- Cycle 14 Operational Improvement Plan
  - –Appendix D Commitments 94
  - –Closed to date 29
- Confirmatory Order
  - –Commitments 6

Performance Monitoring

- Performance Attributes
  - Operations
  - Engineering
  - Corrective Action Program
  - Safety Culture



FENOC Vision:

'People with a strong safety focus delivering top fleet operating performance'

Performance Attributes
Operations

- Positive Areas
  - Human Performance Success Days (Event Free Clock)
- Opportunities for Improvement
  - Operator Work Arounds
  - Control Room Deficiencies

Performance Attributes
Engineering

- Positive Areas
  - Quality of Engineering Products
  - Fuel Reliability
- Opportunities for Improvement
  - Backlog Reduction Effort
  - Number of Maintenance Rule (a)(1) Systems

Engineering Team Building Meeting

Performance Attributes

Corrective Action Program

- Positive Areas
  - Condition Report Self-Identified Rate
  - Employee willingness to use the Corrective Action Program
  - Apparent Cause evaluation quality

- Opportunities for Improvement
  - Individual Error Rate
  - Corrective Action Program (Effectiveness of Corrective Action Program)

Performance Attributes

Safety Culture

- Positive Areas
  - –Safety Culture Assessment
  - –Employee Concerns Program
  - –NRC Retaliation Allegation Ratio
- Opportunities for Improvement
  - –NRC Allegation Ratio

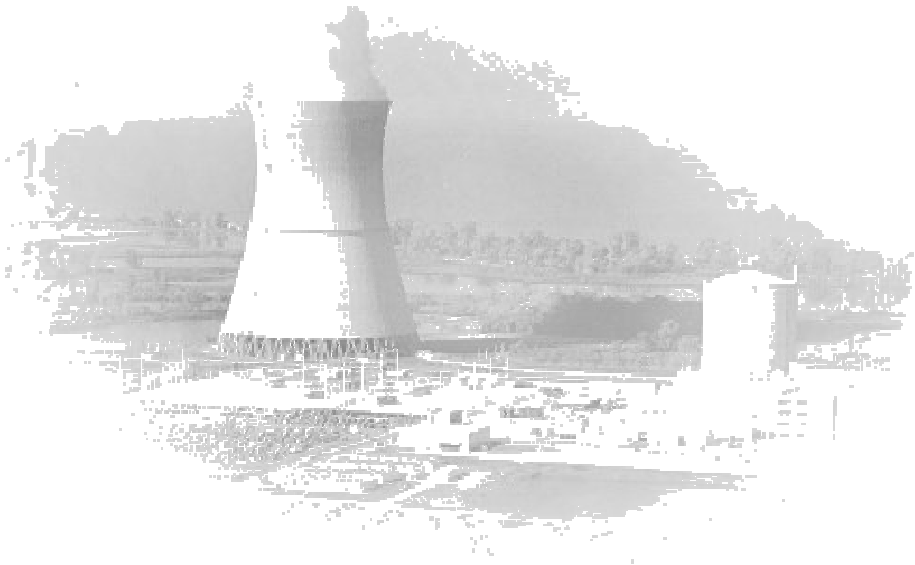
Independent Assessments

- Current 2004 Schedule
  - –Operations Performance (August)
  - –Corrective Action Program Implementation (September)
  - –Engineering Program Effectiveness (October)
  - –Organizational Safety Culture, including SCWE (November)

Operation Performance Assessment

- Week of August 16
  - –Assessment Plan
  - –Scope
    - –Conduct of Operations
  - –Assessment Team
    - –2 Consultants
    - –2 Industry Representatives
  - –Assessment Report

Site Assessments



Mark Bezilla
Vice President

Site Assessments

Mock Accreditation Team Assessment Visit

- Week of April 11
- Comprehensive assessment of technical training programs
- Team comprised of 10 Industry Peers plus DB staff
- Groups reviewed technical skills programs
- Identified strengths and areas for improvement

Site Assessments
Company Nuclear Review Board

- Week of April 11
- Provided critical, independent, safety-focused oversight

Site Assessments
INPO

- AFW Assist Visit (March 29 - April 2)
  - Recommendations for improvements
- 2004 Evaluation and Assessment (April 26 - May 7)
  - Team comprised of INPO representatives and Industry peers
  - In-depth dialog and valuable insight
  - Identified strengths and areas for improvements
  - Validated Business Plan and Operational Improvement Plan are properly focused

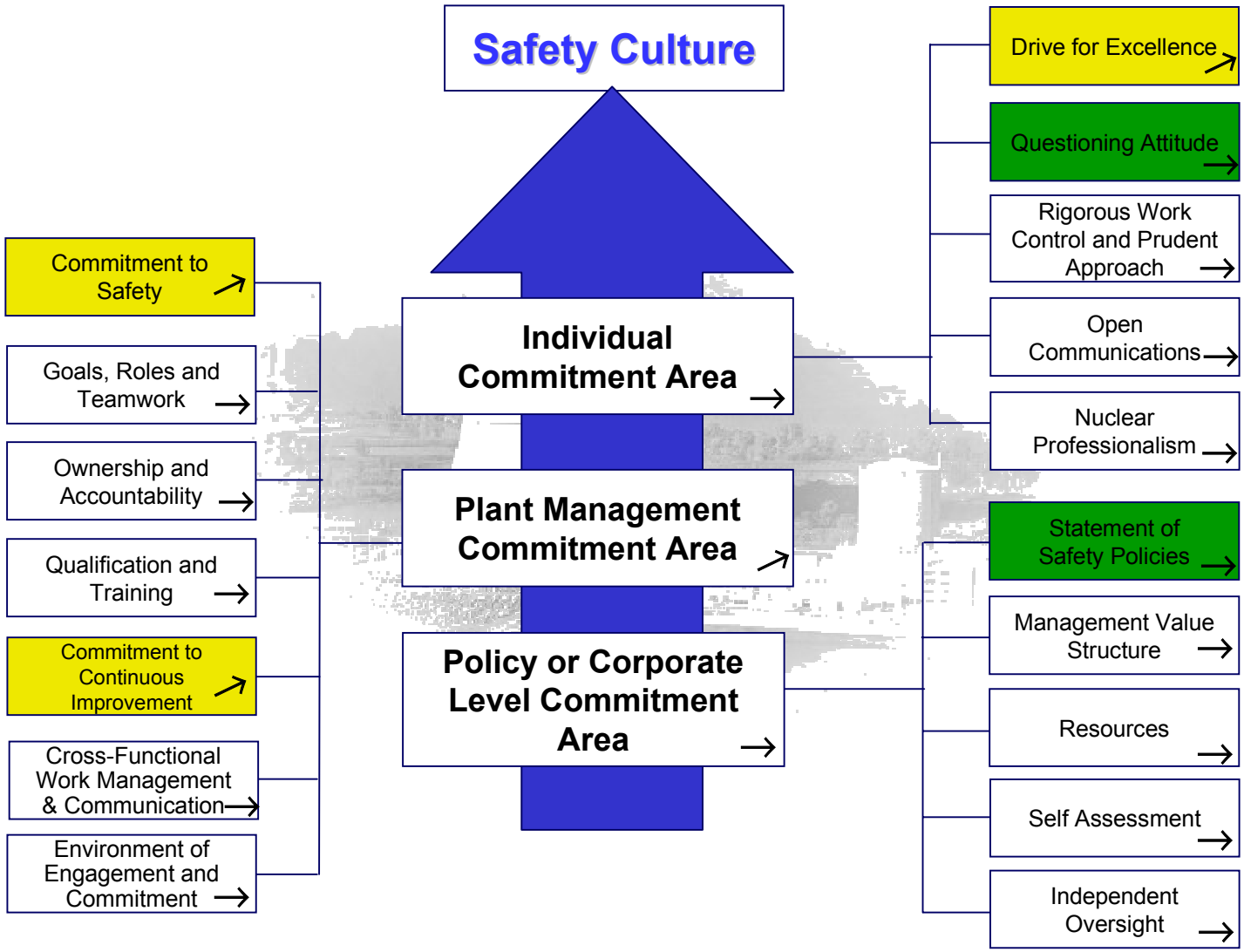
Site Assessments
Self-Assessments

- Examples year-to-date (2004)
  - Warehousing Processes
  - Operations Improvement Implementation Action Plan Effectiveness Review
  - ATLAS Design Basis Electronic Database Project Phase I
  - Procedural Controls of At- Risk Change (ARC) Process
  - Shift Manager Peer Verifiers
  - Management Observation Program

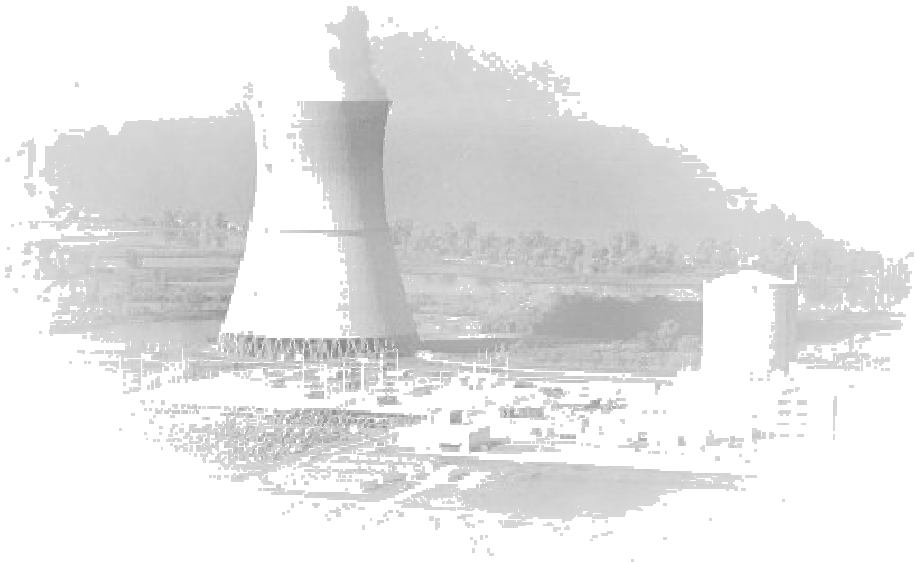
Site Assessments
Fire Protection Pilot

- Week of May 9
- Nuclear Energy Institute pilot
- NRC observed
- Eight person team comprised of FENOC and industry peers
- Utilized a 'draft' guidance document for performing a post-fire circuit failure self-assessment
- Gained insight into assessments and pilot experience regarding circuit analysis
- Positive demonstration of a willingness to improve

Safety Culture - FENOC Model



Oversight Perspective



Steve Loehlein

Manager – Nuclear Quality Assessment

1st Quarter Summary

- Positive trends
  - –Improvements in Operations support
    - –Team response to emergent issues
    - –Sensitivity to Reactor Coolant System leakage
  - –Improvements in Management focus on health of training programs
  - –Condition Report trending continues to develop

1st Quarter Summary

- Continued Focus Areas
  - Procedure use, adherence, and content
  - Engineering rigor (e.g. Reactor Engineering)
  - Department-level trending analysis and insights from Condition Reports and Corrective Actions

1st Quarter Summary

- Future Focus Areas
  - –Management and human performance
    - –Rewarding positive performance behaviors and consequences for negative performance behaviors
  - –Implementation of Training improvements
  - –Work management (schedule fidelity impact on backlogs, especially Preventive Maintenance)

Closing Comments

FENOC Vision:

People with a strong safety focus delivering top fleet operating performance.

Mark Bezilla
Vice President